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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/603,100

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Henri Waelbroeck

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EXAMINER

EBERSMAN, BRUCE I

ART UNIT

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/603,100	Applicant(s) WAE LBROECK ET AL.	
	Examiner BRUCE I. EBERSMAN	Art Unit 3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 10 September 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1,3, 4, 6,7,8,9,10,11 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1,3,4 and 6-11 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>9/10/08</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

The following is a non-final first office action after an RCE was filed by the applicant on 9/10/08. Applicant has presented an IDS with a reference to Bartley for examiner consideration. Claims 1,3, 4, 6,7,8,9,10,11 pending.

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after allowance or after an Office action under *Ex Parte Quayle*, 25 USPQ 74, 453 O.G. 213 (Comm'r Pat. 1935). Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, prosecution in this application has been reopened pursuant to 37 CFR 1.114. Applicant's submission filed on 9/10/08 has been entered.

By this action, the examiner withdraws the previous indication of allowability of claims, 1,3, 4, 6,7,8,9,10,11 and issues a new non-final rejection in view of newly submitted reference in the IDS of 9/11/08.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 11, (dependent claims 9-10) rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are:

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In independent claim 11, as currently structured, the party is merely notified of a near match but, no further action is described. The preamble states that the claim is a method for trading securities. The first party will presumably take the opportunity to improve his/her offer if they know there is a near match in the system. However this is not explicitly claimed. The examiner is going to treat notification as, any notification to a party as, it is currently non –functional descriptive material as claimed. However, the applicant needs to include an action step which would correspond with the first party taking action after being notified to improve the price.

Claim Rejections - 35 USC § 102

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 1-4,6 Rejected under 35 USC 102B over The Journal of Portfolio Management Structural Changes in Trading Stocks, Maden Bartley, pp. 19-27.

As per claim 1, Bartley discloses;

electronically receiving a first buy or sell order for a security from a first user; (p. 24, col. 1, para. 5-6)

calculating a block price range for said security, said block price range having an upper end and a lower end; (p.24, col. 1, para. 5-6)

determining that said first order has a price that is reasonably priced, wherein said price

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is considered reasonably priced if said price comprises either:

for a sell order, said price is equal to or lower than said upper end of said block price range, or for a buy order, said price is equal to or higher than said lower end of said block price range; (p. 24, col. 1, para. 5-6)

transmitting to a second user an electronic notification that a reasonably priced order for said security is present, but without notifying said second user of the side of said first order; (p. 24, col. 1, para. 5-6 and col. 2, para. 1-3)

receiving a second order from said second user, wherein said second order is a contra to said first order and said second order has a second price limit that crosses a first price limit of said first order; and (p.24 col. 2, para. 1-3)

executing a trade comprising said first order and said second order at an execution price that complies with said second price limit and said first price limit. (p. 24, col. 2, para. 1-3)

As per claim 3, Bartley discloses;

wherein said step of calculating a block price range is based on recent or current market prices. (p. 24, col. 1, para, 1, block price based on current market pricing)

As per claim 4, Bartely discloses step of step of calculating a block price range is based on recent volatility in said security. (col. 24, col. 1, pares 1-4, the examine interpreting the block range or spread to be a proxy for volatility.

As per claim 6, Bartley discloses; wherein said step of calculating a block price range comprises predicting a price range likely to occur within a first predetermined time period. (p. 24, col. 1, para. 1-5, the block price is based on the current market price and what would be reasonable to buyers/sellers)

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claim 7 Rejected under 35 USC 103A over The Journal of Portfolio Management

Structural Changes in Trading Stocks, Maden Bartley, pp. 19-27 in view of US Patent 5689652 to Lupien.

As per claim 7, Bartely discloses block price ranges being based on time (p. 26, col. 1, para. 3) However, Bartely does not explicitly disclose; the price being, recalculated at intervals of time approximately equal to said first predetermined time period. (he does refer to the last trade and one of ordinary skill in the art would recognize that this concept would not work without a block trade price being grounded in the last trade price, meaning regular if not constant updating.

Lupien teaches;

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recalculated at intervals of time approximately equal to said first predetermined time period. (col. 2, line 37). It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the disclosure of Bartely with the teachings of Lupine for the motivation of facilitating large block trading.

Claim 8 Rejected under 35 USC 103A over The Journal of Portfolio Management Structural Changes in Trading Stocks, Maden Bartley, pp. 19-27 in view of US Patent 7035819 to Gianakouros.

As per claim 8, Bartley discloses block trade pricing (p26) does not explicitly disclose using the NBBO price, (last trade p.26, col. 1, para. 3) Giankoros teaches; wherein said step of calculating a block price range is based in part on a National Best Bid or National Best Offer (col. 13, -14)

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the disclosure of Barley with the teachings of Giankoros for the motivation of facilitating large block trades. (col. 2, lines 30 —35)

Claim 11 rejected under 35 USC 103A over The Journal of Portfolio Management Structural Changes in Trading Stocks, Maden Bartley, pp. 19-27 in view of US Patent Publication 2003/0093343 to Huttenlocher.

As per claim 11, Bartley discloses; electronically receiving a first buy or sell order for a security from a first user; (p. 24, col. 1, para. 5-6)

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calculating a block price range for said security, said block price range having an upper end and a lower end; (p. 24, col. 1, para. 5-6)

determining that said first order has a price that is reasonably priced, wherein said price is considered reasonably priced if said price comprises either:

for a sell order, said price is equal to or lower than said upper end of said block price range, or for a buy order, said price is equal to or higher than said lower end of said block price range; (p. 24, col. 1, para. 5-6)

transmitting to a second user an electronic notification that a reasonably priced order for said security is present, but without notifying said second user of the side of said first order; (p. 24, col. 1, para. 5-6)

receiving a second order from said second user, wherein said second order is a contra to said first order and said second order nearly matches but does not cross said first order; (p. 24, col. 2, para. 1-3)

Bartley does not explicitly disclose;

and transmitting an electronic contra order notification to said first user after said second order is received, said contra order notification indicating that a nearly matching contra order is active within the system. The examiner notes that the that this step is notification of a user. There is neither a disclosed outcome nor, is it clear as to what a new miss is.

Huttenlocher teaches;

and transmitting an electronic contra order notification to said first user after said second order is received, said contra order notification indicating that a nearly matching

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contra order is active within the system.(0117, in this case, Huttenlocher notifies a party that a nearly matching offer is available and allows the party to move his order to a move favorable price to complete the trade. (the party is visible but, the counter party is invisible, thus the party cannot see the counterparty's offer.

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the disclosure of Bartley and Huttenlocher for the motivation of helping buyers and sellers to find each other in a system where one or more are invisible. (0004,0009)

As per claim 9, Bartley does not explicitly disclose notifying a user after an order is received from said second user. Huttenlocher teaches notifying a party after they submitted an order in order to let them know that a near match exists. (0117)

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the disclosure of Bartley and Huttenlocher for the motivation of helping buyers and sellers to find each other in a system where one or more are invisible. (0004,0009)

As per claim 10, Bartley discloses;

W herein said second user receives said contra order notification only after a second predetermined time period has lapsed. (p. 24, col. 1, last para.)

As per claim 12, Barley does not explicitly disclose;

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wherein said first user receives said contra order notification immediately after said second order is received. Huttenlocher (0017) notifies a party that a nearly matching offer is available and allows the party to move his order to a move favorable price to complete the trade. (the party is visible but, the counter party is invisible, thus the party cannot see the counter-party's offer. It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the disclosure of Bartley and Huttenlocher for the motivation of helping buyers and sellers to find each other in a system where one or more are invisible. (0004,0009)

Response to Arguments

5. Applicant's arguments with respect to claims 1,3, 4, 6,7,8,9,10,11 have been considered but are moot in view of the new ground(s) of rejection. Applicant's submitted art to Bartley in combination with previously cited art allows the examiner to reject the instant application.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to BRUCE I. EBERSMAN whose telephone number is (571)270-3442. The examiner can normally be reached on 630am-5pm, Monday-Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Alexander Kalinowski/
Supervisory Patent Examiner, Art Unit 3691

Bruce I Ebersman
Examiner
Art Unit 3691

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